

MINUTES
Council on Postsecondary Education
July 22, 2002

ROLL CALL	<p>The Council on Postsecondary Education met July 22, 2002, at 8:30 a.m. at Centre College in Danville, Kentucky. Chair Adams presided.</p> <p>The following members were present: Norma Adams, Walter Baker, Peggy Bertelsman, Bart Darrell, Richard Freed, John Hall, Esther Jansing, Chris Pace, Joan Taylor, Lois Combs Weinberg, Charles Whitehead, and Gene Wilhoit. Steve Barger, Ron Greenberg, Susan Guess, and Charlie Owen did not attend.</p>
REMARKS BY GOVERNOR PATTON	<p>Governor Paul E. Patton opened the meeting by speaking to the council about the current status and future direction of postsecondary education reform. The Governor praised the council, the council staff, and the colleges and universities for their hard work since 1997 in implementing reform. For example, the Governor noted that 23,000 more students are enrolled in postsecondary education in Kentucky than there were in 1998; KCTCS enrollment is up about 40 percent since 1998; and the Kentucky Virtual University enrolled 7,700 students in spring 2002. Governor Patton stressed that his commitment to reform is stronger than ever.</p>
REMARKS BY JOHN ROUSH	<p>President John Roush thanked Governor Patton and the council members for their continued support of education in the Commonwealth. He spoke about the "center of the mark" for Kentucky: to love opportunity and to love excellence, the foundation pieces of a system of higher education in Kentucky that will provide the Commonwealth the essential resource it needs to become a leader in the region and the nation. The state must have both to be successful; one without the other is false promise. 2020 is almost 15 years off, time enough for a generation to be born, come of age, and begin postsecondary education. He said this generation must be inspired and we must keep our goal high. Those that follow deserve nothing less than our best effort at securing the brightest future we can envision.</p> <p>Ms. Adams said that the council members met last evening with the students of the Centre Governor's Scholars Program. She thanked President John Roush and the Centre College staff for hosting the council.</p>
GOVERNOR'S SCHOLARS PROGRAM	<p>Aris Cedeno, academic chair of the Kentucky Governor's Scholars Program, thanked the council for its support over the years in providing office space and economic support</p>

and thanked the council for visiting the campus.

OATH OF OFFICE

Boyle District Judge Bruce Petrie administered the oath of office to Esther Jansing. Ms. Jansing is the program manager for the Owensboro Chamber of Commerce and Industry Inc. and executive director of Leadership Owensboro. She is a graduate of Cornell University and received a master's degree in nursing education from Columbia University Teachers College.

APPROVAL OF MINUTES

The minutes of the May council meeting were approved as distributed.

COMMISSIONER
OF EDUCATION
REPORT

Mr. Wilhoit gave a report on the activities of the Kentucky Department of Education. He mentioned changes due to the passage in 2001 of the "No Child Left Behind" federal legislation. There is a new emphasis on teacher quality and all teachers will be fully certified. Additional testing and assessments, including long-range assessments, will be put in place. Aides working in Title I programs must meet specified criteria. The state will receive funding to help develop high-quality literacy programs. There has been a slight reduction in the high school dropout rate but the decrease is sporadic depending on the school system and the area of the state. Recent legislation requires that every high school offer advanced placement courses and these may be offered through the Kentucky Virtual High School and the Kentucky Virtual University.

COUNCIL STAFF

In June Angie Martin left the council staff to become the associate vice president for planning, budget, and policy analysis at the University of Kentucky. Sherron Jackson has been named the council's interim vice president for finance.

2002-03 SPENDING
PLAN REPORT

Ron Carson of the council staff provided an update on the state budget. Because the Kentucky General Assembly failed to adopt a budget in both the 2002 Regular Session and the First Extraordinary Session, the Governor has issued an executive order with an attached spending plan for fiscal year 2002-03. The spending plan closely mirrors the various appropriations and related provisions included in House Bill 1 as introduced by the Governor in the First Extraordinary Session. There are no base increases built into the spending plan for postsecondary education. The House and Senate included in their respective versions of the appropriations bill a third round of Bucks for Brains to be funded through the issuance of bonds. The executive spending plan does not include any issuance of debt. But the delay in enacting a budget will not affect this program at the moment. Debt service was only provided in the fiscal year 2002-04 budget and bonds could not have been sold any earlier than January

2003.

Mr. Carson said about 45 states are experiencing major budget problems. Also, the federal government has recently projected a nominal dollar decline in federal fiscal year 2002 revenues as compared to federal 2001. If the projection materializes, that would be the first time since 1955 that the federal government collected less in revenue in a fiscal year as compared to the preceding fiscal year. Mr. Carson said that in order to balance the previous biennium's budget, the state's rainy day account (the budget reserve trust fund) was exhausted. He said the revenue environment and the general fiscal situation that Kentucky is now confronting suggests the need for more careful fiscal planning than we have been accustomed to in the last several budgets. The council staff has recently surveyed the institutions on several issues and has found variation among the institutions regarding the matter of a budget cutback reserve.

MOTION: Mr. Baker moved that the council request that the House, Senate, and Governor renew their efforts to effect a resolution of the impasse so Kentucky will have a budget for the next two years. Mr. Freed seconded the motion.

VOTE: The motion passed.

2002-03 AGENCY SPENDING PLAN

RECOMMENDATION: The staff recommends that the council approve the 2002-03 Agency Spending Plan in the amount of \$119,018,907.

MOTION: Ms. Weinberg moved that the recommendation be approved. Mr. Hall seconded the motion.

Dennis Taulbee of the council staff said that Governor Patton directed state agencies to follow the provisions contained in House Bill 1 (2002 First Extraordinary Session) and proceed with allotments based on those figures. During the week of June 23, the Governor issued Executive Order 2002-727 implementing a spending plan. The 2002-03 agency spending plan is displayed in six program areas: agency operations, Kentucky Virtual University and Kentucky Virtual Library, strategic investment and incentive trust funds, pass-through programs, incentive funding, and federal programs. Mr. Taulbee said that the spending plan is basically a continuation budget. A 3 percent reserve has been set aside on both the KYVU and on the agency operations but not on the trust funds and the pass-through programs since these programs involve outside entities. He said the fiscal situation in the Commonwealth is very difficult and he anticipates a budget cut of 3 to 5 percent. If the cut is necessary, this amount

can be managed in agency operations and KYVU without a disruption in services.

VOTE: The motion passed.

Dr. Moore recognized Paul Bibbins, interim president of Kentucky State University; Rick Feldhoff, UofL board member; and Maureen Henson, EKU board member.

2002-04 CAPITAL PROJECTS PRIORITIES AND GUIDELINES

RECOMMENDATION: The staff recommends that the council approve the guidelines for distribution of any bond authority provided by the 2002-04 Postsecondary Education Agency Bond Pool and the guidelines for allowing institutions to access any unmatched funds in the 2000-02 Postsecondary Education Capital Renewal and Maintenance Pool.

MOTION: Mr. Whitehead moved that the recommendation be approved. Ms. Weinberg seconded the motion.

Sherron Jackson said that this item was discussed in detail at the May council meeting. If a budget for 2002-04 is enacted, the council staff will present a list of recommended projects to be funded for council approval at a future meeting. The guidelines contain the following provisions:

- The bond funds shall be used to complete projects from the list of eligible projects approved by the council August 31, 2000.
- To access the bond funds, the institution must commit to spending an equal amount (1:1 match) on specific projects from the eligible list by June 30, 2004.
- The matching projects must be completed with institutional funds. The match excludes projects completed through energy performance contracts or capital cost avoidance.

VOTE: The motion passed.

CAMPUS SECURITY ADMINISTRATIVE REGULATIONS

RECOMMENDATION: The staff recommends that the council approve amendments to two existing administrative regulations, entitled 13 KAR 2:100. Campus security, public institutions and 13 KAR 1:030 Campus security, private institutions, and direct that the staff file the administrative regulations with the Legislative Research Commission and make such changes in the administrative regulations as shall be necessary as a result of the statutory review process. These changes will assist public and private institutions in complying with the requirements of the Michael Minger Act and House Bill 829 (2002 Kentucky General Assembly) and assure that timely information is provided to consumers who are interested in safety and security issues on college and university campuses.

MOTION: Mr. Baker moved that the recommendation be approved. Mr. Whitehead seconded the motion.

VOTE: The motion passed.

INSTITUTE FOR EFFECTIVE GOVERNANCE

Dr. Moore gave an update on the establishment of the Institute for Effective Governance, which will provide education and development to the governing boards of Kentucky's universities, KCTCS, the council, and independent institution boards should they choose to participate. Governor Patton announced the establishment of the institute at the September 2001 trusteeship conference. The council and the Prichard Committee will manage the institute. An oversight committee will advise the executive director of the Prichard Committee and the council president. The oversight committee consists of one public institution president, one independent institution president, one current council member, one current Prichard committee member, one past council member, one past board member from a public institution, and one past board member from an independent institution. Plans are underway to introduce the institute at the 2002 Governor's trusteeship conference to be held September 22-23. Drawing from the telephone interviews with a sample of current board and council members and given the current fiscal environment, the conference will focus on board members' understanding of institutional finance and budgeting issues.

Mr. Whitehead, a member of the oversight committee, said that he is pleased with the work that has been done thus far on the institute. The conference planned for September will be quite different from the past, and he urged council members to attend the conference from start to finish.

GED FEE WAIVER EXTENSION

RECOMMENDATION: The staff recommends that the council extend the deadline for the GED fee waiver program to June 30, 2003.

Earlier this year, the council allocated \$350,000 to cover the cost of the GED so that students could take the tests for free. This fee waiver expired June 30, 2002. \$200,000 is still available.

MOTION: Ms. Weinberg moved that the recommendation be approved. Mr. Whitehead seconded the motion.

VOTE: The motion passed.

COLLEGE PREPARATORY EDUCATION

RECOMMENDATION: The staff recommends that the council approve a new administrative regulation entitled 13 KAR 2:025 College Preparatory Education and Advanced

ADMINISTRATIVE
REGULATION

Placement Credit to comply with the passage of Senate Bill 74 (2002 Kentucky General Assembly) and direct the staff to file the administrative regulation with the Legislative Research Commission to make such changes in the administrative regulation as shall be necessary as a result of the statutory review process.

This regulation is required to comply with Senate Bill 74 (2002 Kentucky General Assembly), which mandates the council to develop an administrative regulation requiring public postsecondary education institutions to grant academic credit toward graduation to a student who scores three or above on a College Board Advanced Placement examination.

MOTION: Mr. Baker moved that the recommendation be approved. Ms. Bertelsman seconded the motion.

VOTE: The motion passed.

P-16 COUNCIL
GEAR UP
KYVU

Information was included in the agenda book on the Kentucky Early Mathematics Testing Program, the KYVU, and the GEAR UP Kentucky program.

Ms. Bertelsman, chair of the P-16 Council, said that at its June meeting the P-16 Council endorsed the recommendation of the council and the Kentucky Board of Education chairs to facilitate Kentucky's implementation of the American Diploma Project. ADP brings P-12 and postsecondary educators and business, labor, and political leaders together to align high school graduation requirements with college admission standards and employer requirements. Colleges and employers are committed to then using the high school diploma in more meaningful ways in making admission, placement, and employment decisions. Kentucky is one of five states participating in the project.

Ms. Adams raised the question of legislating the P-16 Council to give the group authority to effect change. She said a joint motion from the council and the Kentucky Board of Education may be in order at a future meeting.

KEY INDICATORS
OF PROGRESS

Information was provided on the key indicators of college participation, college-going, and educational attainment. During fall 2001, 6.6 percent of Kentuckians aged 18 and over were enrolled in postsecondary education (indicator 2.5). This compares to a statewide college participation rate of 6.35 percent for 2000, and meets the goal established for 2002. The percentage of adult population from target counties enrolled in college (indicator 2.6 compares those counties with low educational attainment, college-going rates, and per capita income and high employment with the

rest of the state) rose from 4.7 percent in 2000 to 4.9 percent in 2001, showing a greater percentage increase than that of the state as a whole. At this rate of increase, the 2002 goal will be met. Updated county-level data indicates that the college-going rate of recent high school graduates from target counties (indicator 2.8) has improved from 50 percent in 2000 to 51.2 percent in 2001. Data from the 2000 census confirm that educational attainment rates in Kentucky are improving.

RESIDENCY
ADMINISTRATIVE
REGULATION

RECOMMENDATION: The staff recommends that the council approve an amendment to an existing administrative regulation entitled 13 KAR 2:045 Determination of residency status for admission and tuition purposes and directs that the staff file the administrative regulation with the Legislative Research Commission and make such changes in the administrative regulation as shall be necessary as a result of the statutory review process.

The regulation needs to be revised to clarify issues related to: distinguishing between residents and nonresidents in areas that have arisen since the regulation was last amended; the effect of the marriage of a nonresident to a Kentucky resident; and changes in the immigration law and its effect on the status of students.

MOTION: Ms. Weinberg moved that the recommendation be approved. Mr. Baker seconded the motion.

VOTE: The motion passed.

CEO REPORT

A report was given on the activities of the Committee on Equal Opportunities. Kentucky's public institutions continue to make progress toward achieving the commitments outlined in the partnership agreement with the U.S. Office for Civil Rights. The agreement, with the exception of the requirement of Kentucky State University to implement strategies to increase student performance on the PRAXIS II teacher certification test, is on track to be completed by December 31, 2002.

Ms. Weinberg suggested that the needs of Hispanics and other nationalities be incorporated in the new Kentucky Plan for Equal Opportunities.

2001-02 CAMPUS
CONSULTATION VISITS

Jim Applegate, council vice president for academic affairs, gave a report on the 2001-02 campus consultation visits. The council staff visited each university and the KCTCS to review academic program approval practices. The purpose of the review was to determine the extent to which campus policies and procedures were consistent with the streamlined academic program policies put in place by the

council in 1999. The review revealed that the practices across the campuses varied in the amount of attention given to the council's criteria. Some institutions conformed closely to the criteria; others incorporated some, but not all, of the council's concerns. The staff's general findings and recommendations were included in the agenda book. The council staff is working with the institutions to change both campus and council procedures based on the results of the review. Dr. Applegate said that the institutions were extremely cooperative throughout the review process and indicated a willingness to modify their processes to address concerns.

Ms. Bertelsman asked that collaboration among institutions be added as a requirement for new program proposals.

PROGRAM
PRODUCTIVITY REVIEW

RECOMMENDATION: The staff recommends that the council accept the second program productivity review report, commend the universities for their continued perseverance in reviewing their academic programs, and authorize the council staff to work with the institutions as they pursue additional changes to some programs and report back to the council in early 2003.

This is the second review of university degree program productivity. The review identified programs that do not appear to be sufficiently or efficiently contributing to the needs of the state. The institutions have outlined plans to either close or alter programs and, for some with sufficient justification, continue programs in their current form.

In addition to degree productivity, the second review gave attention to how the programs helped to meet workforce needs. These included programs falling under categories identified as important to economic development by the Office of the New Economy and those addressing shortages in health professions and education. The Cabinet for Workforce Development is in the process of assessing current and future workforce needs. Nancy Laprade from the cabinet spoke about the relationship of that work to the council's process for development and review of academic programs.

MOTION: Ms. Bertelsman moved that the recommendation be approved. Mr. Freed seconded the motion.

VOTE: The motion passed.

NEW PROGRAM
PROPOSAL

RECOMMENDATION: The staff recommends that the council approve the bachelor of science in sport and fitness administration/management (CIP 31.0504) proposed by Northern Kentucky University.

MOTION: Ms. Bertelsman moved that the recommendation be approved. Mr. Freed seconded the motion.

This program will contribute to the educational and economic development in NKU's region. Representatives from more than a dozen area businesses serve on an advisory board to assist in the development of the program. NKU has signed agreements with two universities offering similar programs – the University of Louisville and Morehead State University.

Ms. Bertelsman commended NKU for working with the other institutions in developing the program.

VOTE: The motion passed.

FACULTY DEVELOPMENT CONFERENCE

A report was included in the agenda book on the fourth annual conference for faculty development, which took place in May 2002.

2000-02 ENDOWMENT MATCH PROGRAM GUIDELINES

RECOMMENDATION: The staff recommends that the council ratify the approval of a six-month extension to the Endowment Match Program's existing June 30, 2002, request submission deadline.

Dr. Moore said that some of the comprehensive university presidents asked for an extension because of presidential transitions as well as the events of September 11. There were unused balances and they asked for an extension of six months. None of the presidents were opposed to the extension.

MOTION: Mr. Freed moved that the recommendation be approved. Mr. Baker seconded the motion.

VOTE: The motion passed.

Ms. Adams complimented the presidents for reaching this agreement.

KSTC CONTRACTS

Reports on the Kentucky Science and Technology Corporation contracts and the BIO 2002 convention were included in the agenda book.

ENGINEERING

Dr. Applegate said that the threat to fully implementing the statewide engineering strategy is lack of recurring funding. The council and the institutions funded the first year of the joint programs from internal reallocation and non-recurring sources, and the council agreed in July 2000 and again in October 2001 to secure recurring state General Funds. The council's 2002-04 budget recommendations included \$3 million in recurring funds. The Governor's executive spending plan includes \$1 million in non-recurring funds.

The institutions and the council will continue to seek recurring funds and will continue implementation of the engineering strategy for the next two years with non-recurring funds. However, the institutions have said they cannot continue to offer joint programs if they must depend on non-recurring funds. They are wary of committing additional resources to program development until recurring funding is assured. If the joint degrees cannot be supported with recurring funds by 2004, the institutions have indicated the joint programs cannot be continued in their current form.

MOTION: Mr. Baker moved that the council reaffirm its support of the joint degrees in the statewide engineering strategy as the best means to provide engineers for Kentucky's knowledge-based economy and that the council commit to make recurring funding for the joint degrees and the statewide strategy a priority in the next biennial budget recommendation. Mr. Freed seconded the motion.

VOTE: The motion passed.

COMMITTEE APPOINTMENTS

Chair Adams has made the following committee appointments: Mr. Barger to replace Ms. Weinberg on the Strategic Committee on Postsecondary Education; Ms. Taylor to replace Ms. Weinberg on the Committee on Equal Opportunities; and Ms. Guess to replace Ms. Adams on the Distance Learning Advisory Committee.

PRESIDENTIAL SEARCH

MOTION: On behalf of the Presidential Search Screening Committee, Mr. Baker moved that the council hire A. T. Kearney and specifically Jan Greenwood of that firm to help conduct the search for the next council president. Ms. Bertelsman seconded the motion.

VOTE: The motion passed.

MOTION: Mr. Baker moved that the council authorize its chair to execute a contract with the search firm. Ms. Weinberg seconded the motion.

VOTE: The motion passed.

WHITEHEAD RESOLUTION

A resolution was read honoring and commending Mr. Whitehead for his service as council chair for the past three years.

MOTION: Mr. Baker moved adoption of the resolution. Ms. Weinberg seconded the motion.

VOTE: The motion passed.

Mr. Whitehead said at a very early age he became a Jaycee and adopted the organization's motto of "service to humanity is the best work of life." He thanked the council for its support.

INSTITUTIONAL
BUDGETS

Ms. Bertelsman asked the presidents to report at the September council meeting their plans to address the budget crisis. Ms. Adams asked the staff to send a written request to the presidents.

NEXT MEETING

The next meeting is September 22-23 in Lexington. The meeting will be held in conjunction with the Governor's Annual Conference on Trusteeship.

ADJOURNMENT

The meeting adjourned at 12:05 p.m.

Sue Hodges Moore
Interim President

Phyllis L. Bailey
Secretary